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Paper, Paperboard & Wood Pulp

A Monthly Statistical Summary from the American Forest & Paper Association

September 1994 **Vol. 72 No. 9**

HIGHLIGHTS

- Seasonally-adjusted paper and paperboard production rebounded to near record levels in August after easing somewhat in July. The paper and paperboard segments of the industry both contributed to the August advance, which left production for the year so far up a strong 3.8%.

- Printing-writing paper shipments advanced vigorously in August, lifting their year-to-date growth performance to 3.2%, versus less than 1% during the first half of 1994.

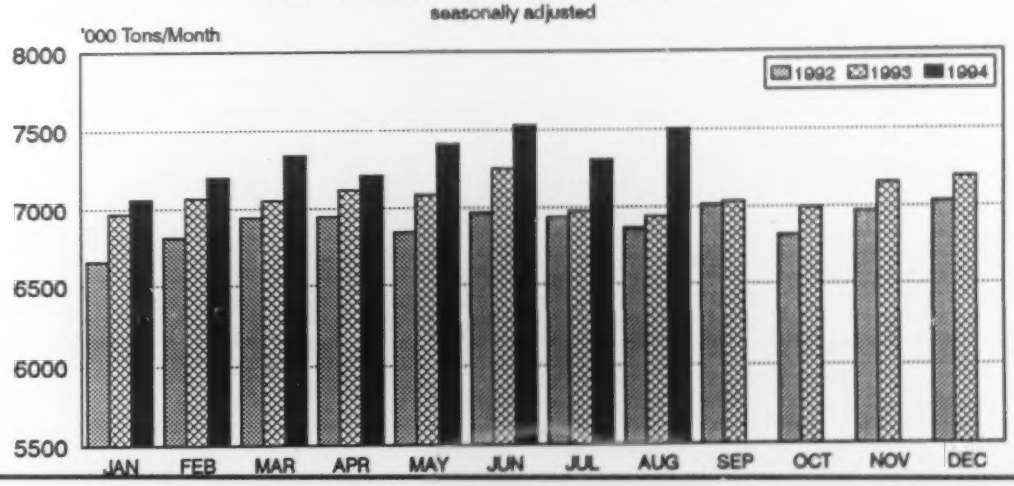
- Newsprint publishers added inventory in July and August after paring stocks during most of 1994. Shipments of newsprint to the U.S. market exceeded year-ago levels by 7.6% in July and 8.6% in August.

- Kraft paper shipments have been gaining ground this year, reflecting rapid growth in retail sales and higher packaging demand across the board.

- Box shipments and containerboard production for domestic use are being paced by rapid expansion of the U.S. manufacturing sector. Box shipments exceeded their year-ago volume by 5.6% during the first eight months of this year and rose to a seasonally-adjusted annual rate of 386 billion square feet in August, their highest monthly level so far this year.

- The U.S. paper industry's trade exposure -- measured as imports plus exports as a percent of production -- escalated from 20% in 1983 to 28% during the initial seven months of 1994. The table on page 14 reports 1991 dollar shipments and imports/exports for selected paper industry categories.

TOTAL PAPER & PAPERBOARD PRODUCTION
seasonally adjusted



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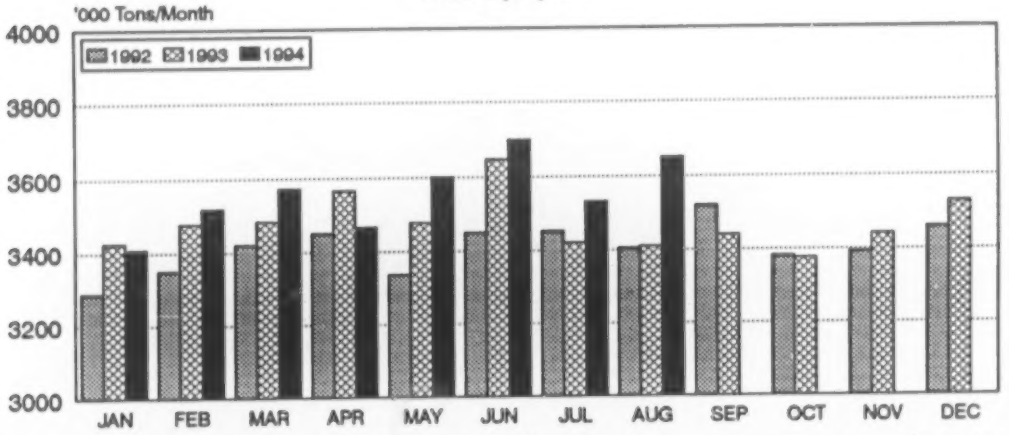
Paper: Seasonally-adjusted paper production rebounded to 3.65 million tons in August, up sharply from July but still slightly shy of its all-time high of 3.70 million tons in June of this year. The industry's paper segment continued to manifest emerging strength across a broad spectrum of grades.

TOTAL PAPER PRODUCTION
seasonally adjusted



Shipments of newsprint to the U.S. from North American and overseas mills exceeded year-ago levels by 7.6% in July and 8.6% in August, but lagged by 1.7% through the first eight months of 1994. As was noted in previous issues of this report, the lagging performance was partly attributable to inventory swings. Whereas publishers added 229,000 tons to inventory during the first eight months of 1993, they held stocks approximately stable, on balance, since the end of last year. On an inventory-adjusted basis, newsprint usage was up 0.5% through August and by 2.3% in the July-August period.

Demand for printing-writing papers continued to chart a steady comeback in August, with shipments up more than 8% from July and 3.2% on a year-to-date basis. If shipments volumes are maintained, year-to-date growth differentials will continue to widen, given the weakening pattern exhibited by printing-writing paper shipments in the second half of 1993.

Uncoated groundwood paper shipments firmed 1.9% from July to August and are up more than 7% relative to 1993 levels for the year so far.

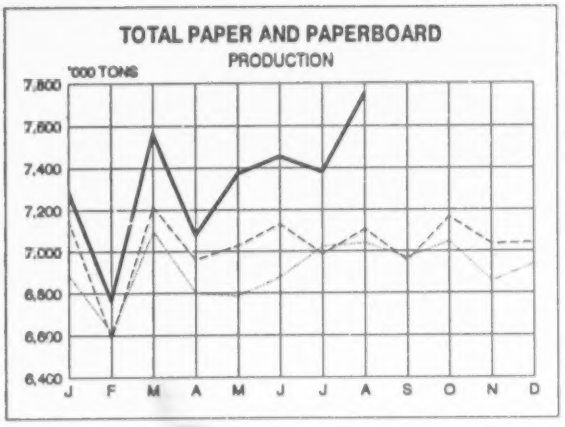
Growth patterns for coated papers appear to have turned the corner. As of July, these grades had been lagging year-ago volumes by 1.3%, but were ahead a solid 2% through the first eight months of 1994. August alone witnessed an increase of more than 11% for shipments of these grades. Supporting evidence that shipments of coated papers are expected to continue to gain momentum can be found in new orders, which are reported to be up almost 20% from July and 9.3% on a year-to-date basis.

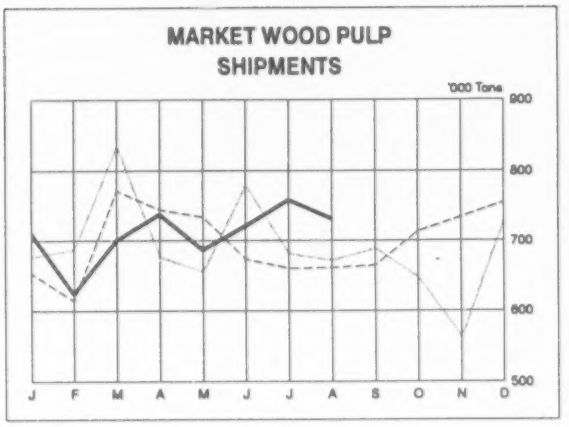
Uncoated freesheet grades fared well in August as shipments rose almost 8% from July and new orders rose more than 17%. On a year-to-date basis, shipments are ahead 3.6% and new orders are up by 3.3%.

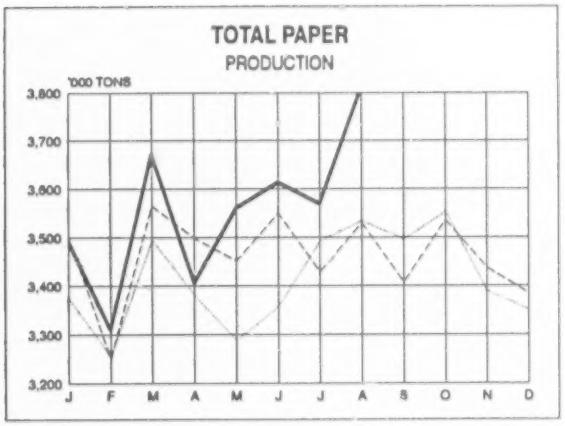
PAPER AND PAPERBOARD STATISTICS PRODUCTION, SHIPMENTS AND ORDERS (Thousands of Tons)	YEAR 1992	YEAR 1993	MAY 1994	JUNE 1994	JULY (R) 1994	AUG (P) 1994	Annual Rate Y-T-D 1994	% Change From Same Period Last Year
PAPER								
Newsprint - Production	7,082	7,067	593	550	597	598	7,013	-1.0
- Shipments	7,125	7,043	598	568	594	596	7,042	0.6
Printing & Writing: Total Shipments	23,394	24,062	2,066	2,163	2,110	2,288	24,933	3.2
Groundwood Paper - Shipments	1,609	1,799	159	147	161	164	1,894	7.2
- New Orders	1,655	1,883	159	153	187	163	1,993	5.3
- Unshipped Orders	164	243	173	174	199	197	197	-19.1
Coated Groundwood - Shipments	4,364	4,340	385	401	384	404	4,396	-0.2
Coated Free Sheet - Shipments	3,755	3,937	324	352	354	416	4,092	4.6
Total Coated Papers - Shipments	8,119	8,276	709	753	739	820	8,489	2.0
- New Orders	8,151	8,377	829	815	826	988	9,260	9.3
- Unshipped Orders	903	757	889	939	1,028	1,212	1,212	60.1
Unctd Free Sheet - Shipments	12,170	12,355	1,058	1,122	1,078	1,162	12,916	3.6
- New Orders	12,293	12,500	1,011	1,147	1,021	1,197	13,162	3.3
- Unshipped Orders	720	902	876	891	853	895	895	-0.8
Thin Papers - Shipments	175	169	13	10	11	13	146	-12.6
Cotton Fiber Paper - Shipments	159	160	13	13	12	14	159	-0.2
Bleached Bristols - Shipments	1,163	1,303	114	118	109	114	1,329	3.9
Tissue Paper - Production	5,784	6,008	512	497	496	531	6,040	0.8
Total Packaging & Other Paper	4,713	4,608	390	405	366	393	4,664	1.5
Unbl. Kraft Paper - Shipments	2,380	2,259	188	201	183	192	2,298	1.2
Bl. Kraft Paper - Shipments	403	400	30	32	35	38	403	1.9
Specialty Pkg. Paper - Production	687	644	55	56	51	58	644	0.8
Special Industrial Paper - Production	1,244	1,304	117	116	97	104	1,319	2.3
TOTAL PAPER PRODUCTION - UNADJ	40,973	41,745	3,561	3,614	3,569	3,810	42,650	2.0
TOTAL PAPER PRODUCTION - SEAS ADJ			3,600	3,699	3,530	3,649	42,660	1.9
PAPERBOARD - PRODUCTION								
Containerboard	29,374	29,821	2,605	2,628	2,630	2,693	31,236	5.4
Cont'bd For Dom Use for Fibre Boxes	25,763	26,409	2,299	2,308	2,345	2,423	27,471	4.5
Total Linerboard	17,785	18,235	1,571	1,583	1,628	1,678	18,856	3.8
Unbleached Kraft	16,850	16,732	1,428	1,442	1,487	1,538	17,199	3.1
Solid Bleached	150	158	13	15	14	14	160	1.5
Recycled	784	1,346	131	127	126	125	1,497	12.1
Corrugating Medium	7,978	8,173	727	725	718	746	8,615	6.0
Semichemical	5,582	5,507	492	484	481	500	5,751	4.8
Recycled	2,396	2,666	235	241	237	246	2,865	8.4
Other Containerboard for Dom Use	345	309	26	26	28	21	289	-9.9
Containerboard for Export	3,267	3,103	281	294	257	249	3,475	15.4
Boxboard	12,611	13,392	1,207	1,212	1,182	1,250	14,095	5.8
Boxboard for Packaging for Dom Use	7,338	7,768	681	692	684	717	8,067	3.8
Folding Boxboard	5,519	5,863	509	522	520	549	6,059	3.2
Solid Bleached	1,757	1,828	172	178	171	192	1,966	8.1
Unbleached Kraft	1,143	1,197	114	116	117	104	1,296	7.4
Recycled *	2,620	2,838	224	228	232	253	2,797	-1.6
Set-up Boxboard for Dom Use	283	323	28	26	22	26	311	-2.4
Milk Carton & Food Service Dom Use	1,536	1,583	144	144	142	142	1,697	7.4
Other Boxboard for Domestic Use	4,153	4,479	416	403	394	421	4,789	8.1
Boxboard for Export	1,119	1,145	111	117	103	112	1,240	9.8
Paperboard Production by Furnish	41,985	43,213	3,812	3,840	3,812	3,943	45,331	5.5
Unbleached Kraft	21,658	21,447	1,869	1,892	1,894	1,921	22,364	4.9
Semichemical	5,762	5,672	502	498	495	512	5,921	4.6
Solid Bleached Kraft	4,503	4,583	425	436	418	445	4,931	8.4
Recycled	10,063	11,510	1,017	1,014	1,004	1,066	12,115	5.9
Paperboard Production for Export	4,386	4,249	391	411	360	361	4,715	13.9
Unbleached Kraft	3,320	3,209	302	308	262	258	3,580	15.1
Semichemical	180	165	10	14	15	12	171	-3.1
Bleached Kraft	812	795	73	77	72	78	849	10.0
Recycled	74	79	7	12	12	13	116	39.0
TOTAL PAPERBOARD PRODUCTION - UNAD	41,985	43,213	3,812	3,840	3,812	3,943	45,331	5.5
TOTAL PAPERBOARD PROD - SEAS ADJ			3,808	3,829	3,774	3,850	45,156	5.5
PAPER AND PAPERBOARD - UNADJ	82,958	84,957	7,373	7,454	7,381	7,753	87,981	3.8
PAPER AND PAPERBOARD - SEAS ADJ			7,409	7,527	7,304	7,500	87,816	3.7

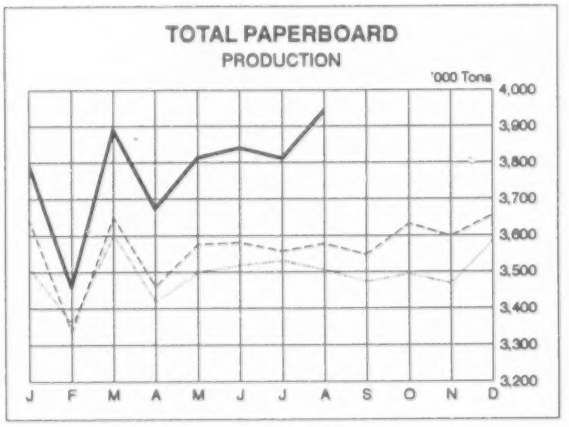
R - Revised P - Preliminary Seas. Adj. - Seasonally Adjusted Unadj - Not Seasonally Adjusted

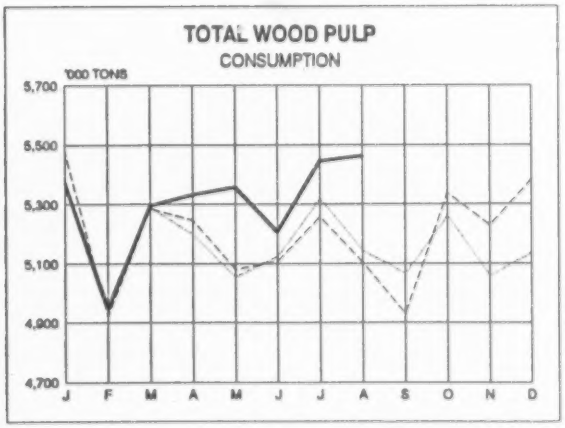
* Container Chip and Filler reclassified into Recycled Corrugating Medium

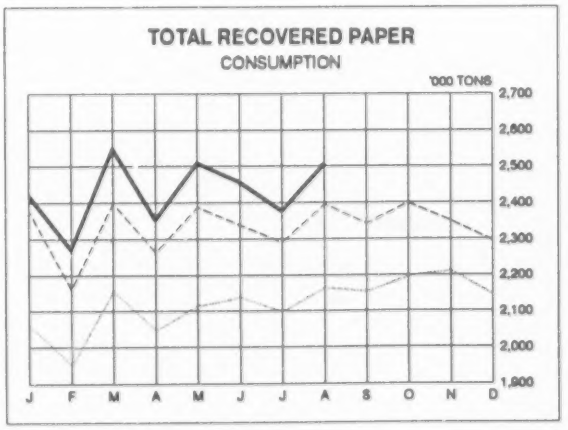












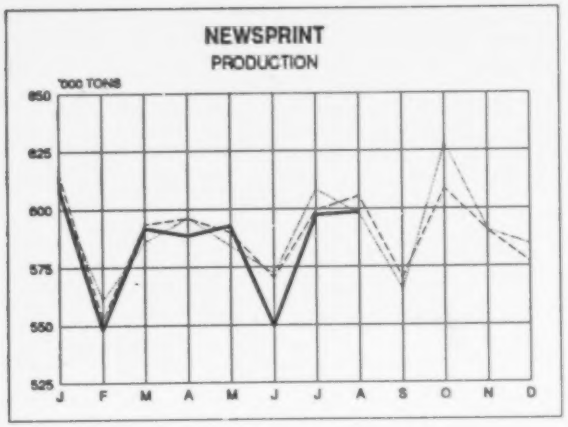
1992 ..... 1993 ------ 1994 ——

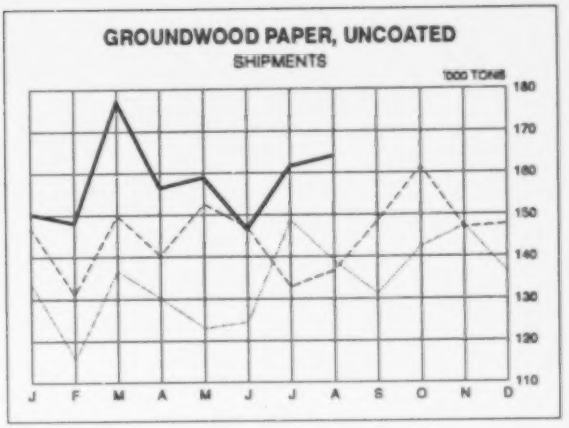
WOOD PULP STATISTICS (Thousands of Tons)		YEAR 1992	YEAR 1993	MAY 1994	JUN 1994	(R) JUL 1994	(P) AUG 1994	Annual Rate Y-T-D 1994	% Change From Same Period Last Year
TOTAL WOOD PULP									
Total Wood Pulp (Paper Grades)	Production	63,960	62,908	5,265	5,265	5,545	5,493	64,000	1.8%
	Imports	4,882	5,320	517	456	471	481	5,591	2.9%
	Exports	6,421	5,850	516	501	559	525	6,012	1.0%
	New Supply	62,421	62,377	5,266	5,220	5,457	5,449	63,578	2.2%
Paper Grades Chemical Pulp	Production	53,358	52,738	4,434	4,488	4,706	4,640	54,086	2.9%
	Imports	4,570	4,889	480	418	426	441	5,129	3.0%
	Exports	6,321	5,747	510	490	548	516	5,917	1.6%
	New Supply	51,607	51,880	4,405	4,416	4,584	4,565	53,298	3.0%
Groundwood and Thermo-Mech.	Production	6,501	6,158	496	437	479	493	5,827	-6.7%
	Imports	312	431	36	38	45	40	462	0.8%
	Exports	100	104	6	11	11	9	96	-24.2%
	New Supply	6,713	6,485	526	464	514	524	6,193	-5.8%
Semi-Chemical	Production	4,101	4,012	335	340	360	359	4,087	1.0%
	Imports								
	Exports								
	New Supply	4,101	4,012	335	340	360	359	4,087	1.0%
MARKET WOOD PULP									
Paper Grades Chemical Pulp	Production	8,670	8,117	674	697	753	729	8,395	1.0%
	Imports	2,946	3,132	325	286	275	299	3,421	10.4%
	Exports	5,906	5,571	444	489	522	477	5,615	3.1%
	New Supply	5,709	5,678	554	494	506	550	6,201	4.0%

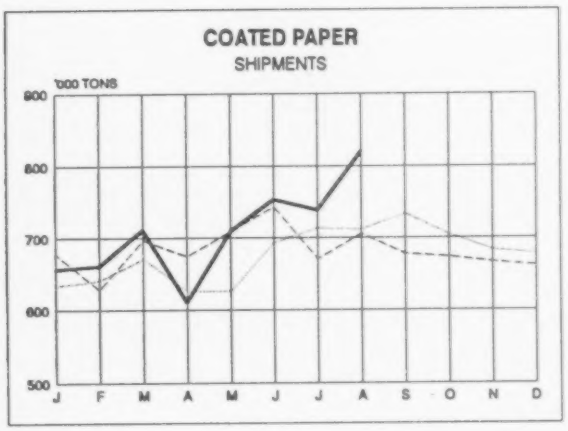
Sources: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, AF&PA. Total Wood Pulp Imports & Exports - Department of Commerce.

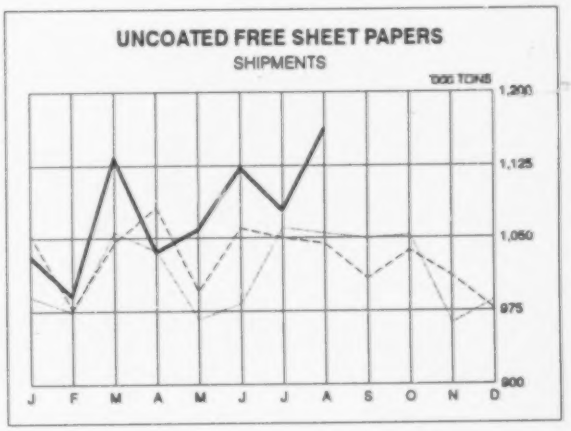
FIBROUS RAW MATERIALS (Thousands of tons)	YEAR 1992	YEAR 1993	MAY 1994	JUN 1994	(R) JUL 1994	(P) AUG 1994	Annual Rate Y-T-D 1994	% Change From Same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS								
Total	87,451	90,351	7,866	7,663	7,822	7,969	92,787	2.9%
Total Wood Pulp	62,011	62,356	5,358	5,207	5,445	5,463	63,629	2.3%
Recovered Paper	25,440	27,995	2,508	2,456	2,377	2,506	29,158	4.4%
INVENTORIES **								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	245	195	167	166	167	155	155	-29.6%
Producers' Market Inventories	676	614	574	550	544	541	541	-40.5%
Consumers' Purchased Inventories *	388	382	394	391	389	396	396	-0.6%
Recovered Paper at Paper & Bd. Mills	1,114	1,097	905	927	900	996	996	-4.2%
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp **	41	26	25	24	23	22	22	-47.6%

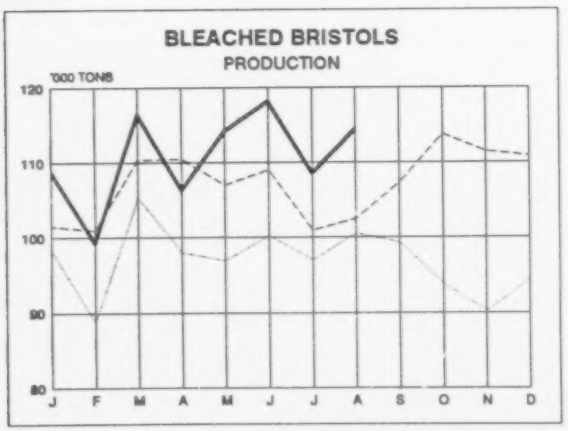
Sources: Wood Pulp Data: Pulp Division, Pulp, Materials and Technology Group, AF&PA. N/A - Not Available.
Recovered Paper Data: Paper Recycling Committee, AF&PA. * Includes all grades of wood pulp
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons. ** - End of period.

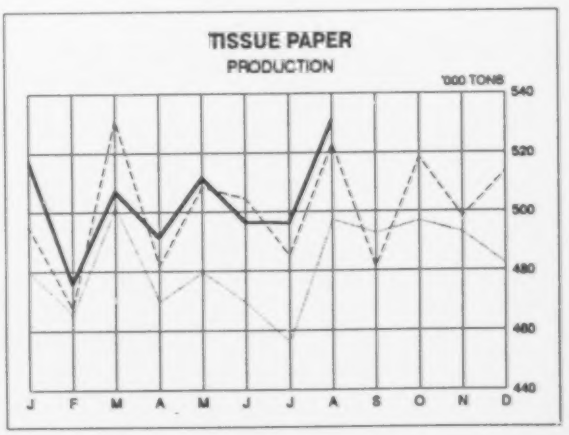












1992 ..... 1993 ------ 1994 ——

FIBROUS RAW MATERIALS Thousands of Standard (128 cubic foot) Cords	YEAR 1992	YEAR 1993	May 1994	Jun 1994	Jul 1994	Aug 1994	Annual Rate Y-T-D 1994	% Change From Same Period Last Year
PULPWOOD								
Total U.S. - Total Receipts	103,891	106,082	8,634	8,821	8,805	9,267	106,700	1.0
- Total Consumpt	104,598	105,275	8,729	8,743	9,066	9,130	106,923	1.3
- Residues *	39,784	43,134	3,618	3,601	3,633	3,806	43,770	1.5
- Inventories	5,314	5,969	5,503	5,561	5,234	5,446	5,446	-0.2
So. Atlantic - Total Receipts	33,704	34,958	2,816	2,881	2,871	2,962	34,607	-1.2
- Total Consumpt	34,015	34,693	2,851	2,835	2,947	2,924	34,820	-0.1
- Residues *	13,173	14,916	1,218	1,237	1,274	1,293	15,048	1.3
- Inventories	1,199	1,503	1,307	1,360	1,287	1,335	1,335	-4.2
Northeast - Total Receipts	7,511	7,791	629	601	657	679	7,886	0.8
- Total Consumpt	7,341	7,751	617	596	662	675	7,763	-0.6
- Residues *	1,800	1,782	168	159	145	175	1,884	3.5
- Inventories	347	330	323	329	322	310	310	-1.3
South Central - Total Receipts	42,665	44,542	3,730	3,790	3,729	4,004	45,561	3.9
- Total Consumpt	42,956	44,039	3,744	3,797	3,854	3,904	45,542	3.8
- Residues *	15,544	17,596	1,511	1,538	1,489	1,530	18,057	2.8
- Inventories	1,736	2,128	1,891	1,845	1,670	1,854	1,854	2.7
North Central - Total Receipts	7,310	7,419	586	657	630	667	7,766	5.3
- Total Consumpt	7,339	7,506	653	633	596	646	7,671	1.9
- Residues *	1,139	1,116	93	103	96	107	1,161	9.9
- Inventories	813	721	737	772	787	805	805	16.0
West - Total Receipts	12,701	11,372	873	892	918	955	10,881	-6.0
- Total Consumpt	12,947	11,284	864	882	1,005	981	11,129	-3.5
- Residues *	6,128	7,722	628	564	629	701	7,620	-2.7
- Inventories	1,219	1,307	1,245	1,255	1,168	1,142	1,142	-8.6

* - Consumption of Residues in Cord Equivalents.

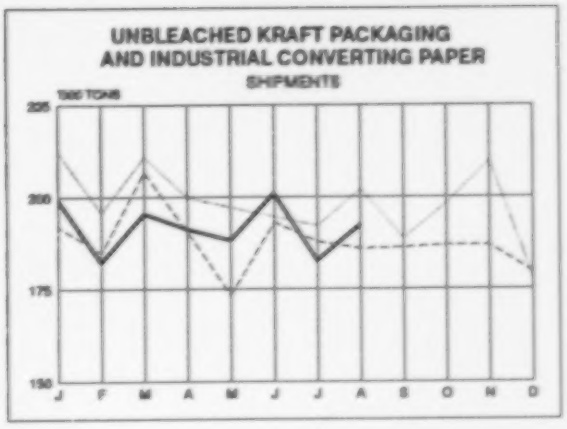
SOURCE: American Pulpwood Association

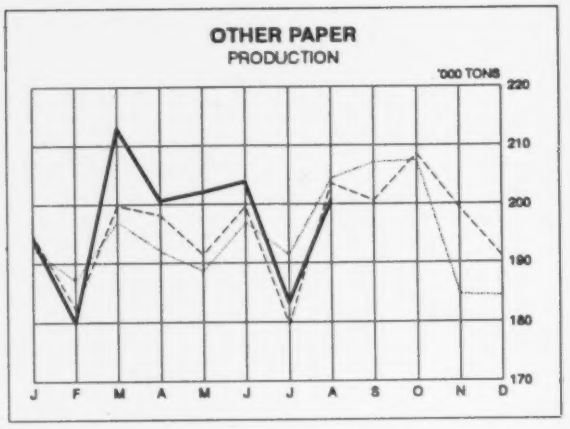
UNITED STATES TRADE WITH CANADA	IMPORTS FROM CANADA YEAR 1993 Tons	YEAR 1993 ($000's)	June 1994 Tons	June 1994 ($000)	July 1994 Tons	July 1994 ($000)	Annual Rate Y-T-D 1994 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cubic meters)	0	0	0	0	0	0	0	N.M
Pulpwood chips	360,060	16,096	2,532	162	17,365	704	107,192	-72.5
Wood Pulp, Total	4,662,246	1,608,657	407,009	153,397	435,997	169,632	4,925,071	2.5
Waste Fibrous Materials, Total	127,838	19,399	18,131	2,193	19,781	2,592	213,320	61.3
Paper, Board & Products, Total	11,548,456	5,681,810	999,431	508,619	1,034,683	528,053	11,924,056	1.0
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	11,291,873	5,128,061	968,158	447,004	1,005,024	469,385	11,590,858	0.2
Paper, Paperboard & Products	11,427,296	5,653,489	987,333	505,462	1,023,573	524,898	11,796,901	0.9
Paper & Paperboard, Only	11,170,712	5,129,264	956,059	443,848	993,914	466,230	11,463,702	0.1
Paper, Total	10,249,616	5,221,372	878,631	413,893	915,590	433,880	10,441,562	-1.2
Newsprint	7,630,129	3,546,762	610,942	252,490	652,512	272,674	7,499,312	-4.8
Printing, Writing & Rel. Pap.	2,280,553	1,391,779	230,599	132,911	227,578	134,740	2,547,536	8.4
Pack. & Ind. Conv. Paper	204,576	125,317	21,497	12,435	23,000	13,275	239,946	18.8
Special Industrial Paper	60,409	101,041	5,970	9,169	5,537	8,178	64,248	3.7
Tissue Paper	73,952	56,474	9,623	6,887	6,963	5,013	90,520	23.3
Paperboard, Total	921,094	343,269	77,429	29,955	78,325	32,350	1,022,140	15.9
Convtd Paper&Paperbd Products	256,584	556,374	31,273	61,615	29,658	58,668	333,199	36.4
Wet Machine Board	800	749	39	36	63	64	847	-3.2
Construction Paper & Board	120,361	30,217	12,059	3,121	11,047	3,092	126,306	7.6

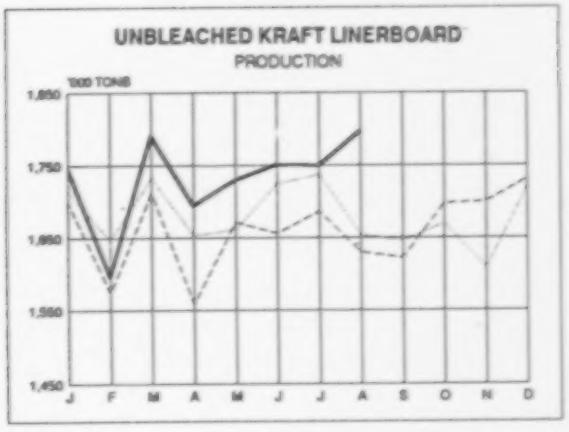
	EXPORTS TO CANADA							
Pulpwood, Roundwood (in cubic meters)	2,263,963	69,592	108,416	3,937	151,306	5,344	2,069,174	-12.4
Pulpwood chips	363,398	18,332	81,000	3,653	69,452	3,047	736,345	132.3
Wood Pulp, Total	313,005	133,450	25,364	10,266	26,041	10,626	327,509	-3.3
Cotton Pulp & Other Pulp	5,710	3,341	490	240	196	152	4,142	-43.6
Waste Paper	1,182,448	142,952	139,459	17,871	135,841	18,707	1,415,888	19.1
Paper, Board & Products, Total	1,710,071	1,658,778	166,855	166,622	148,638	149,334	1,782,094	6.0
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	1,231,876	904,732	119,254	92,422	107,884	82,639	1,283,183	6.0
Paper, Paperboard & Products	1,704,072	1,656,494	165,794	166,177	146,847	148,673	1,773,410	5.8
Paper & Paperboard, Only	1,225,877	928,862	118,192	91,977	106,094	81,978	1,274,499	5.8
Paper, Total	671,502	687,704	65,333	64,985	59,580	58,295	696,666	1.9
Newsprint	14,376	6,997	760	405	870	464	9,375	-52.7
Printing, Writing & Rel. Pap.	480,105	470,309	48,017	44,585	44,035	39,837	513,199	3.9
Pack. & Ind. Conv. Paper	56,540	42,700	4,605	3,457	3,225	2,459	49,596	-9.3
Special Industrial Paper	85,450	133,523	8,027	12,713	7,714	12,082	83,170	0.4
Tissue Paper	35,031	34,175	3,924	3,825	3,736	3,452	43,326	24.8
Paperboard, Total	554,375	299,348	52,860	26,991	46,514	23,683	575,833	11.1
Convtd Paper&Paperbd Products	478,195	754,164	47,602	74,200	40,754	66,696	498,911	5.9
Wet Machine Board	0	0	0	0	0	0	0	N.M
Construction Paper & Board	5,999	2,402	1,062	445	1,790	661	8,685	45.6

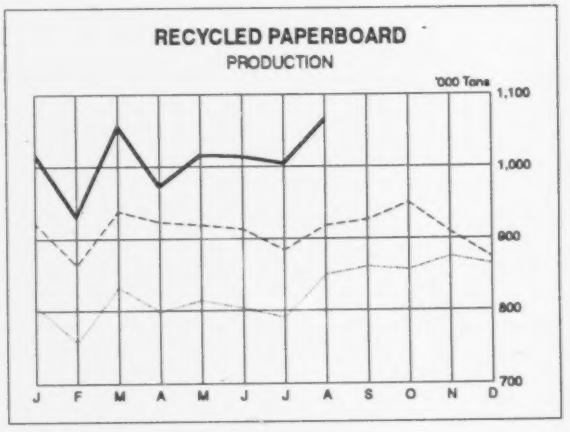
SOURCE: Bureau of Census, Department of Commerce.

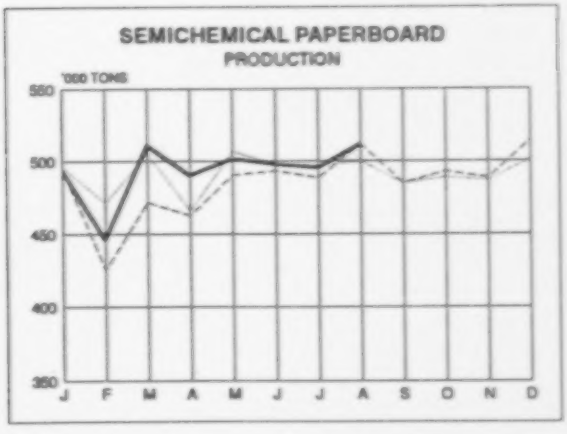
N.M. - Not Meaningful

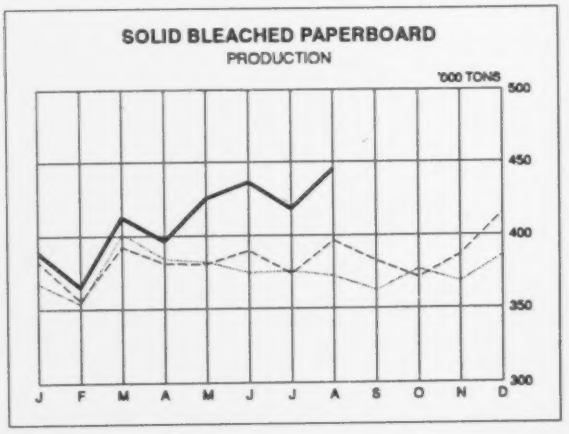












1992 ..... 1993 ------ 1994 ——

PULP, PAPER AND PAPERBOARD IMPORTS	YEAR 1993		June 1994		July 1994		Annual Rate YTD 1994	% Change from same Period Last Year
	Tons	$000	Tons	$000	Tons	$000	Tons (1)	
Pulpwood Roundwood (cubic meters)	0	0	0	0	0	0	0	0.0
Pulpwood Chips	753,442	26,727	7,929	1,049	21,712	1,414	456,836	-15.0
Total All Imports	19,529,543	10,413,422	1,694,432	900,969	1,747,468	932,670	20,190,039	3.6
Wood Pulp Total	5,412,797	1,860,163	462,955	177,759	479,205	185,947	5,637,296	2.4
Waste Paper	137,835	22,285	18,871	2,428	20,457	2,643	220,528	58.5
Other Fibrous Materials	8,143	4,425	1,474	737	1,844	707	13,736	89.7
Paper Board & Products Total	13,970,768	8,526,549	1,211,132	720,045	1,245,963	743,372	14,318,479	3.5
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	13,470,797	7,242,851	1,150,817	586,968	1,189,828	613,555	13,680,434	2.3
Paper Ppbd & Prds ex Cnst&WMB	13,830,567	8,478,849	1,196,874	715,096	1,232,771	738,229	14,171,876	3.5
Paper & Paperboard Only	13,330,595	7,195,151	1,136,558	582,019	1,176,636	608,413	13,533,831	2.3
Paper Total	12,250,220	6,753,643	1,041,778	544,015	1,081,536	565,855	12,333,794	1.0
Newsprint	7,783,906	3,593,326	619,511	255,609	658,510	274,341	7,590,987	-5.6
Printing & Writing	3,984,250	2,570,081	365,862	225,246	368,510	229,475	4,166,222	12.9
Uncoated Groundwood	1,733,551	1,001,611	153,442	82,018	153,019	84,398	1,834,078	15.6
Coated Print.& Impreg. Pap.	1,136,928	823,565	116,936	81,998	121,183	84,273	1,188,184	11.4
Uncoated Free Sheet	991,249	618,187	82,732	49,554	82,004	49,344	1,009,407	10.1
Thin (except Cigarette)	5,758	10,183	379	490	746	938	6,286	-19.4
Bristols	115,764	116,534	12,372	11,186	11,558	10,523	128,268	13.0
Total Pkg & Other Paper	399,411	527,120	44,752	54,805	45,177	55,331	470,136	17.9
Unbleached Kraft Paper	177,342	93,702	23,267	11,314	22,753	11,264	228,409	33.2
Other Pkg. & Indust. Paper	222,070	433,418	21,484	43,490	22,424	44,067	241,726	6.3
Tissue	82,653	63,116	11,654	8,356	9,340	6,709	106,449	41.4
Paperboard, Total	1,080,375	441,508	94,780	38,004	95,100	42,558	1,200,037	16.9
Kraft Paperboard	217,945	81,638	13,090	5,626	20,176	9,335	245,642	23.6
Semi-Chemical Corrugating	267,438	65,898	25,563	6,879	23,764	6,787	327,838	36.7
Other Paperboard	594,992	293,972	56,128	25,499	51,160	26,436	626,556	6.6
Convtd Paper&Paperbd Products	499,972	1,283,698	60,315	133,077	56,135	129,816	638,045	38.3
Paper Products, Total	355,638	1,007,231	39,271	98,402	35,353	96,500	410,804	24.9
Paperboard Products, Total	144,334	276,467	21,045	34,675	20,782	33,316	227,241	71.6
Wet machine Board	924	842	39	36	70	69	899	-11.3
Construction Paper & Board E	139,278	46,857	14,219	4,913	13,122	5,073	145,704	7.6
Notes								
Other: No Weight Avail. ($000)		170,733		19,173		17,471	164,187	5.0
Total Imports Incl. Other($000)		10,584,154		920,142		950,141	10,547,362	3.6

PULP, PAPER AND PAPERBOARD EXPORTS	YEAR 1993		June 1994		July 1994		Annual Rate YTD 1994	% Change from same Period Last Year
	Tons	$000	Tons	$000	Tons	$000	Tons (1)	
Pulpwood, Roundwood (cubic meters)	2,337,214	72,927	109,422	3,990	155,012	5,400	2,123,133	-12.0
Pulpwood Chips	5,248,132	423,288	392,918	32,811	488,505	36,701	5,312,769	3.7
Total All Exports	21,637,893	9,527,479	2,106,400	956,968	2,168,115	978,374	23,907,892	11.6
Wood Pulp,Total	6,499,065	2,369,414	558,938	223,380	620,424	260,906	6,661,571	1.4
Cotton Pulp and Other Pulp	124,656	83,505	9,376	7,618	6,597	5,365	101,673	-17.4
Waste and Old Paper	5,888,369	533,240	620,634	66,968	691,041	86,355	6,818,483	17.2
Paper, Board & Products,Total	9,125,803	6,541,320	917,452	659,001	850,053	625,748	10,326,165	15.9
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	7,521,376	4,237,078	776,858	433,254	726,766	422,737	8,692,256	18.2
Paper, Ppbd & Prod ex Cnst&WMB	9,099,320	6,528,476	914,604	657,540	846,799	624,344	10,302,212	16.0
Paper & Paperboard, Only	7,494,893	4,224,234	774,010	431,793	723,513	421,333	8,668,302	18.3
Paper, Total	2,586,993	2,066,927	266,307	209,179	282,214	218,980	3,021,878	19.7
Newsprint	1,019,146	496,060	80,680	38,741	89,858	46,002	1,040,734	14.2
Printing & Writing	1,120,439	980,400	137,413	111,322	148,669	115,270	1,469,144	26.0
Uncoated Groundwood	109,386	75,504	15,599	9,213	15,271	9,574	132,126	19.3
Clay Coated Paper	342,036	282,860	32,573	26,290	29,375	24,261	386,572	11.3
Uncoated Free Sheet	425,310	435,213	63,209	56,565	77,715	61,658	684,934	52.3
Other Printing & Writing	243,707	186,823	26,033	19,255	26,307	19,777	265,513	2.8
Total Pkg. & Other Paper	379,092	501,465	38,373	47,384	33,519	46,001	414,365	9.8
Unbleached Kraft	130,748	66,917	14,825	6,565	11,089	5,363	147,206	16.7
Other Pkg. & Indust. Paper	248,345	434,548	23,549	40,819	22,430	40,639	267,159	6.3
Tissue	68,315	89,002	9,841	11,731	10,167	11,707	97,635	40.8
Paperboard, Total	4,907,901	2,157,307	507,703	222,613	441,299	202,353	5,646,424	17.6
Solid Wood Pulp	4,645,501	2,000,622	482,464	208,873	417,680	188,553	5,371,239	18.8
Total Linerboard	2,995,058	931,801	308,742	97,929	259,796	86,615	3,480,274	20.2
Bleached Kraft Linerboard	14,552	10,840	369	226	273	157	4,024	-70.6
Unbleached Kraft Linerbd	2,980,506	920,961	308,373	97,703	259,523	86,458	3,476,251	20.6
Other Unbleached Kraft	505,984	255,357	46,732	25,310	40,684	21,523	528,214	-2.5
Other Bleached Kraft	1,025,864	776,502	119,218	82,913	107,284	77,618	1,231,848	24.9
Semi-Chemical Corrugating	118,595	36,964	7,773	2,721	9,917	2,797	130,903	34.8
Recycled Paperboard	262,399	156,685	25,239	13,740	23,618	13,800	275,185	-2.6
Convtd Paper&Paperbd Products	1,604,427	2,304,242	140,594	225,747	123,286	203,011	1,633,909	4.9
Paper Products, Total	750,263	1,469,052	62,213	139,654	56,886	128,145	740,553	8.8
Paperboard Products, Total	854,164	835,190	78,381	86,093	66,400	74,866	893,357	1.9
Wet Machine Board	596	400	0	0	14	14	445	-43.8
Construction Paper & Board E	25,886	12,445	2,848	1,461	3,239	1,389	23,509	-5.7
Notes								
Other: No Weight Avail. ($000)		86,234		8,378		9,080	87,144	2.3
Total Exports Incl. Other($000)		9,613,713		965,346		987,454	10,653,030	11.6

SOURCE: Bureau of Census. U.S. Department of Commerce. E - Includes estimate of tonnage based on square foot data.

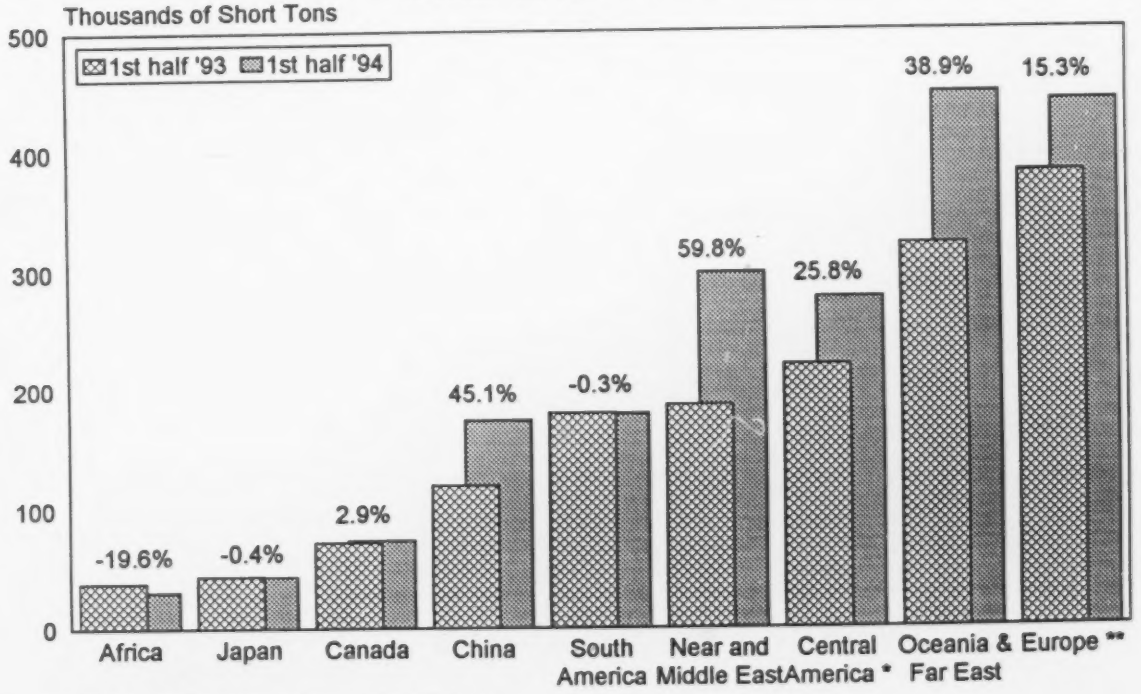
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES 1982 = 100	YEAR 1992	YEAR 1993	MAY 1994	JUN 1994	JUL 1994	AUG 1994	Annual Rate Y-T-D 1994	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	129.2	127.6	128.7	130.3	132.2	134.2	129.3	1.1
Pulp Paper & Products, ex. Building Grades & ex. Waste Paper *	129.4	127.7	128.4	129.1	129.9	131.8	128.5	0.4
Total Wood Pulp	118.9	104.3	109.2	112.4	114.1	122.0	108.7	2.0
Total Paper	123.2	123.8	121.4	121.8	123.6	124.7	122.5	-0.9
Writing Paper, exc. Newsprint	120.2	120.5	116.2	116.6	118.6	119.6	118.0	-1.9
Newsprint	109.9	112.1	112.3	113.4	114.8	116.5	112.2	-0.4
Total Paperboard	134.3	130.0	134.7	134.0	137.8	142.7	134.3	3.1
Total Paper and Paperboard *	126.7	125.8	125.6	125.6	128.1	130.3	126.2	0.4
Converted Products	134.8	133.7	134.4	135.8	135.2	136.6	134.4	0.3
Waste Paper	117.4	117.7	148.0	198.1	270.1	273.8	173.3	42.2
All Commodities	117.2	118.9	119.9	120.4	120.6	121.2	120.0	0.9
Industrial Commodities	117.4	119.0	119.8	120.6	121.1	121.8	119.9	0.7

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by AF&PA

Kraft Linerboard Exports by Destination

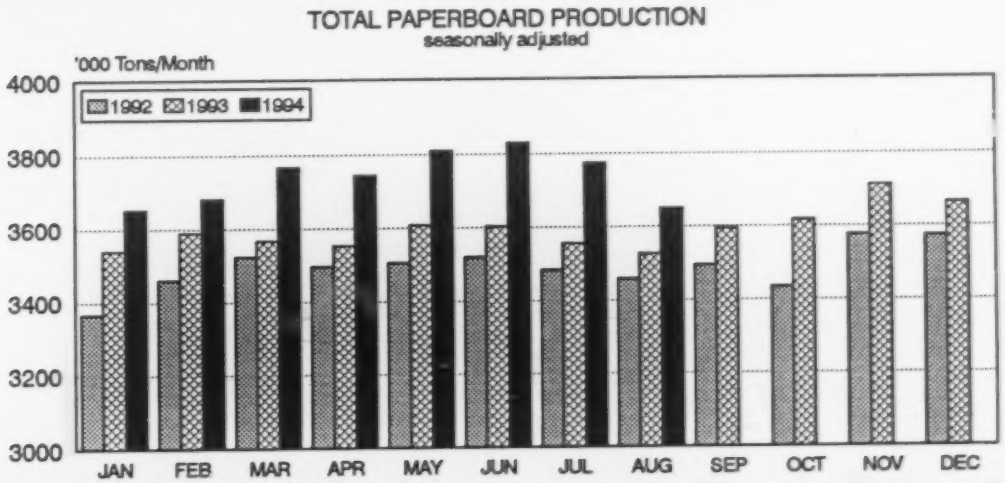
1st Half '93 vs 1st Half '94



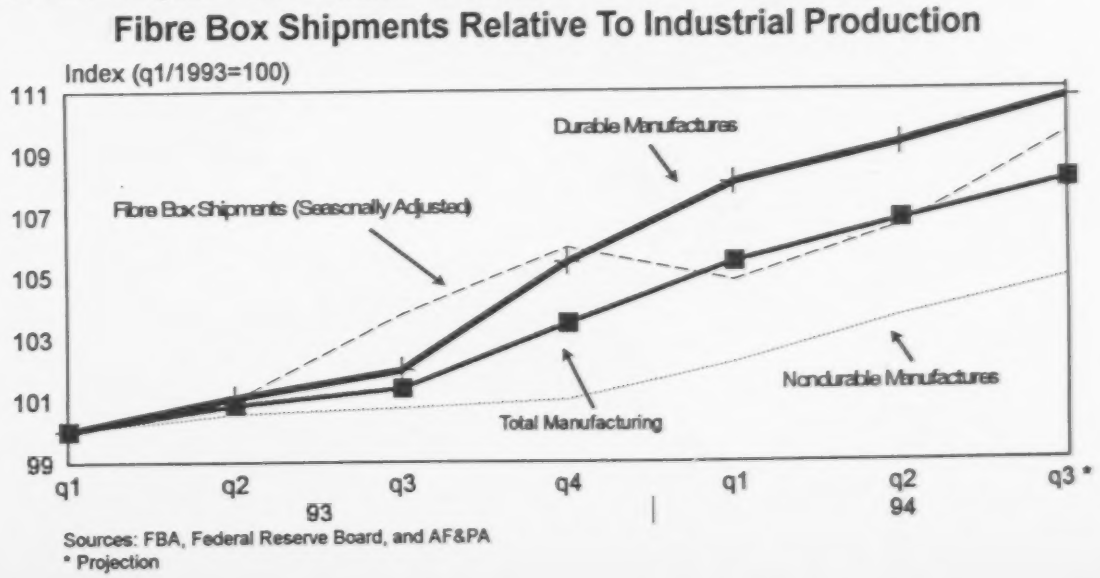
*Includes Mexico and the Caribbean. **Includes C.I.S.
Source: Bureau of the Census.

Kraft paper shipments have been benefitting from brisk growth in nondurable goods sales and across-the-board gains in demand for packaging materials. In particular, shipments of unbleached kraft papers posted a 1.2% advance through August, with all of the momentum coming from the grocer's bag and sack and multiwall sack categories. Shipments of bleached kraft papers firmed 1.9% in the same period. Polyethylene resin consumption in the production of carry-out bags has leveled off this year, following a substantial gain in 1993.

Paperboard: Seasonally-adjusted paperboard production rose 2.0% from July to August, and registered a brisk 5.5% year-to-date gain through the first eight months of 1994. The growth was paced fairly evenly by containerboard production, which was up 5.4% through August, and boxboard production, which was ahead by 5.8%. Paperboard production for export registered a brisk 13.9% increase.



Containerboard production for domestic use advanced 4.5% through August, reflecting the continuing expansion of U.S. manufacturing activity and the attendant growth of box demand. As is evidenced by the following graph, box shipments have increased in line with total manufacturing activity since early 1993, but have outperformed the non-durable goods sector which accounts for some 70% of box usage.



Sources: FBA, Federal Reserve Board, and AF&PA
* Projection

Linerboard production for export lagged its year-ago volume by 1.2% in the July-August period but registered a 16.3% overall gain for the year so far. The increase was broadly based, according to U.S. Bureau of the Census data, with exports to Europe and Oceania-Far East (excluding Japan) up 15% and 39%, respectively, through the first half of 1994. Linerboard exports began their current expansionary phase in the fourth quarter of 1993, suggesting that year to date comparisons may narrow as the year progresses (See graph on page 10).

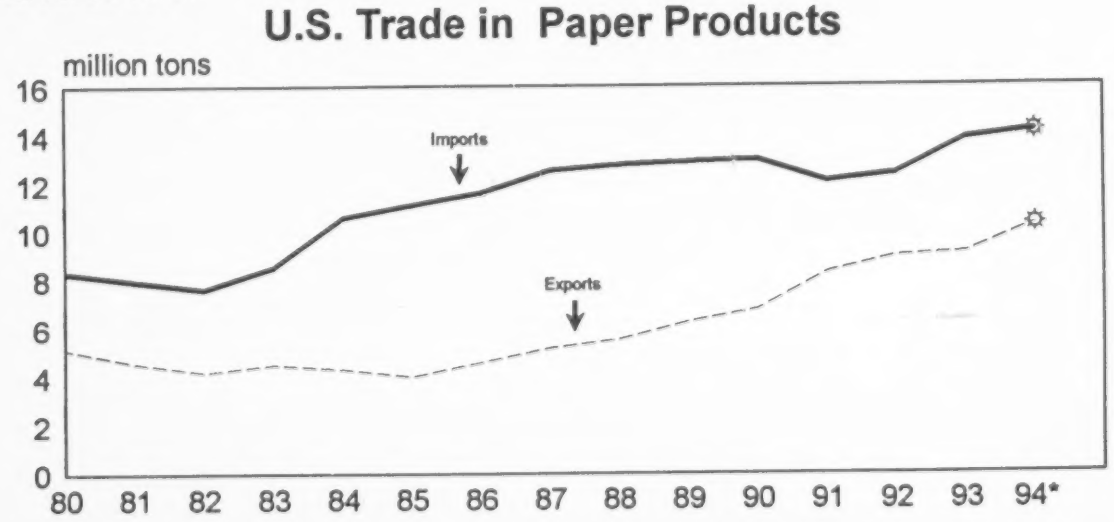
Boxboard production has been gaining increased ground relative to year ago levels. In the July-August period, for instance, production exceeded its year-ago volume by 9.6%. Year-to-date production of boxboard through August, by comparison, was up 5.8%.

Boxboard production has also been benefiting from an improved international climate, with production for export up nearly 10% through August. Domestic demand for boxboard advanced a solid 3.8% through August. Grade-specific performances for the domestic category varied from an 8.1% increase in "other boxboard production," which includes gypsum wallboard facings and panelboard, to a 7.4% increase in milk carton and food service stock and a 3.2% gain in folding boxboard.

TRADE'S GROWING IMPORTANCE TO THE PAPER INDUSTRY

Trade has always been important to the U.S. paper industry but has become more so during recent years. In 1993, for instance, five major product categories -- market pulp, linerboard, printing-writing papers, bleached board, and newsprint -- logged exports exceeding one million tons, versus only two categories -- pulp and linerboard -- back in 1983.

Trade's expanded importance has been the result of increases in both imports and exports. In fact, imports and exports of paper, paperboard and converted products registered comparable tonnage gains between 1983 and 1993 -- 5.0 and 4.6 million tons, respectively. In relative terms, however, exports doubled while imports increased 56%.



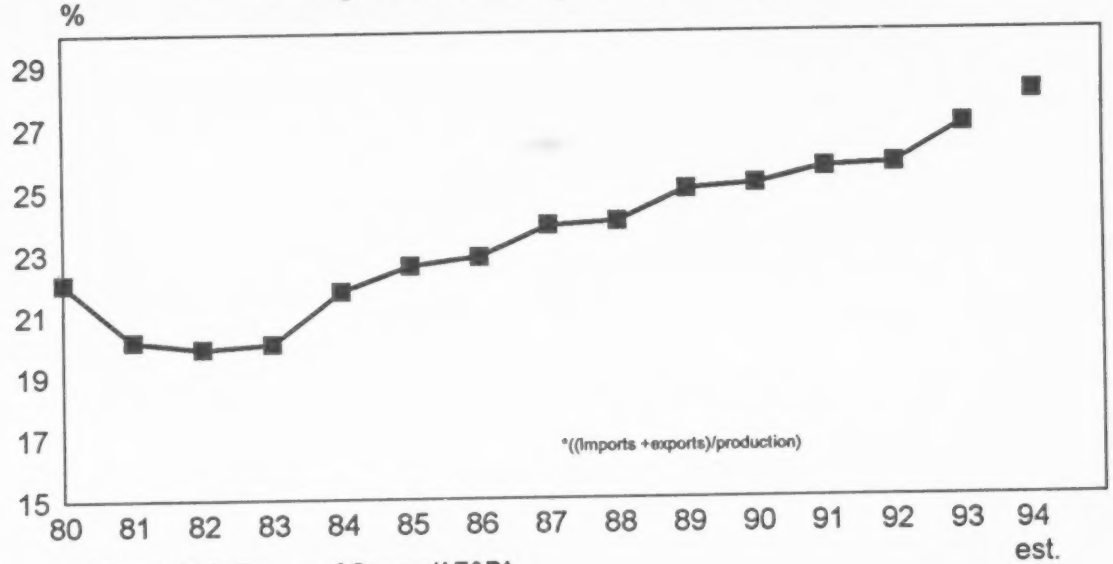
Source: U.S. Bureau of Census/AF&PA

* 1994 based on seven months of data

U.S. imports and exports of paper products continued to expand in 1994, with exports taking the lead following a sluggish 1.7% gain in 1993. Specifically, exports of paper, paperboard and converted products exceeded their year-ago volume by 15.9% through July of 1994, while imports advanced 3.5%.

An industry's trade exposure can be calculated as imports plus exports as a percent of production. On this basis, the U.S. paper industry's trade exposure rose from 20% in 1983 to 27% in 1993 -- an increase of 35%. Data through July indicate that the upward trend continued, with the paper industry's trade exposure rising to 28% during the first seven months of 1994.

U.S. Paper Industry Trade Exposure*



Source: U.S. Bureau of Census/AF&PA

The table on page 14 reports 1991 dollar shipments, imports, and exports of selected paper, paperboard and converted products based on data compiled by the Bureau of the Census. The tabulation is instructive because the import/export values are categorized in accordance with the Standard Industrial Code (SIC) system rather than the Harmonized System, thus facilitating comparisons with shipments, orders, employment, capital assets and numerous other government data series that are based on SIC codes.

Exports accounted for 7.7% of the dollar value of paper and paperboard shipments and 50.9% of the dollar value of market pulp shipments in 1991. Imports accounted for 13.0% of the dollar value of paper and paperboard new supply and 44.7% of market pulp new supply. (New supply is defined as shipments plus imports less exports.) These numbers further highlight the importance of trade to the paper industry.

For additional information, see "U.S. Commodity Exports and Imports as Related to Output: 1991 and 1990, U.S. Bureau of the Census, OEI/91, U.S. Government Printing Office, Washington, D.C., 1994.

Analysis of Export/Import Intensities by Industry Segment

(1991 data in millions of dollars)

SIC Code	Product	Shipments	Exports	Imports (cif)	New Supply	Imports/ New Supply	Exports/ Shipments
26	Paper & Allied Products	123,213	9,263	11,078	125,027	8.9%	7.5%
2611	Pulp Mill Products	5,741	2,920	2,279	5,100	44.7%	50.9%
2621;2631 2671; 26721,4; 26792	Paper & Paperboard products	52,650	4,056	7,280	55,874	13.0%	7.7%
26211	Newsprint	3,105	388	4,283	7,000	61.2%	12.5%
26212-8B 26311-4; 2671 26721,4; 26792	Paper & paperboard, n.e. including printing, converting packaging, industrial & other related paper & paperboard	42,987	3,596	2,931	42,322	6.9%	8.4%
26219	Special industrial paper	1,148	1	1	1,148	0.1%	0.1%
2621A	Tissue & other creped	5,294	71	66	5,289	1.2%	1.3%
2652	Set-up paperboard boxes	599	49	5	555	0.9%	8.2%
2653	Corrugated & Solid Fiber boxes	17,434	352	52	17,134	0.3%	2.0%
2655	Fiber cans, drums, & related materials	1,802	19	3	1,786	0.2%	1.1%
2658	Sanitary food containers	2,583	80	15	2,518	0.6%	3.1%
2657	Folding paperboard boxes	7,200	95	114	7,219	1.6%	1.3%
26722,3	Gummer & pressure-sensitive products	4,398	601	247	4,044	6.1%	13.7%
2673;267	Specialty bags & liners including grocers	5,852	188	347	6,011	5.8%	3.2%
26742	Shipping sacks & multiwall bags, except textiles	1,433	15	8	1,426	0.6%	1.0%
2675;267	Die-cut paper & board products & other misc. office supplies	4,087	187	215	4,115	5.2%	4.6%
2676	Sanitary paper products	14,756	508	129	14,377	0.9%	3.4%
2677	Envelopes	2,492	21	5	2,476	0.2%	0.8%
2678	Stationary, tablets, pads & related products	1,237	89	92	1,240	7.4%	7.2%
26791,4	Converted paper products	949	841	287	395	72.7%	88.6%

Source: U.S. Bureau of the Census

A/630-5

INDUSTRY FACT SHEET
MONTHLY STATISTICAL SUMMARY INSERT
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	(P) AUGUST 1994	(R) JULY 1994	AUGUST 1993	EIGHT MONTHS 1994	EIGHT MONTHS 1993	% CHANGE YR TO DATE 1994/1993
PAPER GRADES						
Newsprint	598	597	605	4,676	4,722	-1.0
Printing & Writing	2,288	2,110	2,042	16,622	16,102	3.2
Uncoated Groundwood (s)	164	161	157	1,263	1,178	7.2
Coated Groundwood (s)	404	384	355	2,931	2,938	-0.2
Coated Free Sheet (s)	416	354	360	2,728	2,608	4.6
Total Coated Paper (s)	820	739	715	5,659	5,546	2.0
Uncoated Free Sheet Paper (s)	1,162	1,078	1,041	8,610	8,308	3.6
Thin Paper (s)	13	11	11	97	111	-12.6
Cotton Fiber Paper (s)	14	12	13	106	106	-0.2
Bleached Bristols (s)	114	109	105	886	853	3.9
Tissue Paper	531	496	523	4,026	3,996	0.8
Total Pkg & Other Paper	393	366	390	3,110	3,063	1.5
Unbl. Kraft Paper (s)	192	183	186	1,532	1,514	1.2
Bl. Kraft Paper (s)	38	35	39	269	264	1.9
Specialty Pkg. Paper	58	51	55	429	426	0.8
Special Industrial Paper (s)	104	97	109	879	859	2.3
TOTAL PAPER	3,810	3,569	3,559	28,434	27,884	2.0
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,921	1,894	1,750	14,909	14,208	4.9
Unbleached Kraft Linerboard *	1,796	1,749	1,631	13,852	13,190	5.0
Other Unbl. Kraft Paperboard	124	145	120	1,057	1,018	3.8
Semichemical Paperboard	512	495	490	3,947	3,775	4.6
Bleached Paperboard	445	418	393	3,287	3,033	8.4
Recycled Paperboard	1,066	1,004	976	8,077	7,624	5.9
TOTAL PAPERBOARD	3,943	3,812	3,610	30,221	28,640	5.5
TOTAL PAPER & PAPERBOARD	7,753	7,381	7,169	58,654	56,524	3.8

(000 SHORT TONS) U.S. MARKET PULP SHIPMENTS	AUG 1994	JUL 1994	AUG 1993	EIGHT MONTHS 1994	EIGHT MONTHS 1993	%CHANGE YR TO DATE 1994/1993
Total	732	759	660	5,663	5,510	2.8%
Total Sulfate	714	739	648	5,535	5,384	2.8%
Bleached Sulfate	697	709	630	5,374	5,250	2.4%
Softwood	427	428	377	3,168	3,159	0.3%
Hardwood	270	281	253	2,206	2,091	5.5%
Unbleached	18	30	18	161	134	19.8%
Sulfite Blch & Unblch	17	19	13	128	126	1.1%
CONSUMPTION OF FIBROUS RAW MATERIALS AT PAPER & PAPERBOARD MILLS						
Wood Pulp	5,463	5,445	5,257	42,419	41,478	2.3%
Recovered Paper	2,506	2,377	2,291	19,439	18,611	4.4%

* Includes all unbleached kraft paperboard exports
(s) - Shipments
R - Revised
P - Preliminary

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INDUSTRY DATA October 7, 1994	1992	1993	1994	1994 R	1994 P	Ann. Rt. ytd '94	% Chg. 94/93
PAPER & PAPERBOARD -- Tons (000)			JUN	JUL	AUG		
Total Production (AFPA)....: excluding :	82,958	84,957	7,454	7,381	7,753	87,981	3.8
Total Seasonally Adjusted....: construction :			7,527	7,304	7,500	87,816	3.7
Imports (including Products)....: and wet :...E	12,406	13,831	1,197	1,233	1,215	14,223	3.7
Exports (including Products)....: machine :...E	8,946	9,099	915	847	869	10,318	15.9
Apparent Consumption....: grades :...E	86,418	89,689	7,809	7,890	7,845	91,721	2.5
Paper Production % Tonnage Capacity	91.1	91.8	94.6	90.5	96.2	92.3	
Paperboard Production % Tonnage Capacity	94.4	94.8	100.6	96.7	99.2	98.0	
PAPER, PAPERBOARD & PRODUCTS			JUN	JUL	AUG		
Imports....:including Construction and :...E	12,543	13,971	1,211	1,246	1,228	14,371	3.8
Exports....: WMB Grades (excl. HPB) :...E	8,971	9,126	917	850	872	10,343	15.9
Market Wood Pulp Shipments - Tons (000)	8,291	8,386	721	759	732	8,503	2.9
Wood Pulp Imports - Tons (000)....E	4,882	5,320	456	471	481	5,591	2.9
Wood Pulp Exports - Tons (000)....E	6,421	5,851	501	559	525	6,012	1.0
Raw Materials Consumption - Tons (000)							
Wood Pulp....:consumption for:	56,873	62,356	5,207	5,445	5,463	63,629	2.3
Recovered Paper....:constuction & :	25,336	27,995	2,456	2,377	2,506	29,158	4.4
Total....: WMB grades :	80,168	90,351	7,663	7,822	7,969	92,787	2.9
Pulpwood Consumption Cords (000) Amer. Pulpwd. Assn.*	104,598	105,275	8,743	9,066	9,130	106,923	1.3
Employment (000)			JUN	JUL	AUG		
Paper and Allied Products..RS....Total	687.3	689.4	689.0	688.1	687.5	683.5	-1.0
Pulp, Paper and Board Mills..RS....Total	238.8	235.4	232.4	231.8	230.5	230.9	-2.5
Avg. Hourly Earnings of Production Workers ($)							
Paper and Allied Products..RS	13.07	13.41	13.68	13.82	13.79	13.7	2.7
Pulp, Paper Mills....RS	16.19	16.71	17.11	17.24	17.22	17.1	3.2
Paperboard Mills....RS	16.24	16.77	17.05	17.27	17.31	17.1	3.0
New Plant & Equip. Expenditures, Paper & Allied Prod. (Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	10.53	10.31	IVQ '93 10.45	IQ '94 10.01	IIQ '94 10.35	10.67 y	1.3
Index of Output per Man-Hour (1987=100)			JUN	JUL	AUG		
:In Pulp, Paper:...Production Workers	113.2	117.5	125.2	121.3	126.2	122.6	5.0
:and Board Mills:...All Employees	112.9	117.2	125.9	122.0	126.8	123.1	5.8
Paper & Allied Products (Million $)							
Industry Shipments (Dept. of Commerce)*	131,282	129,407	11,209	11,347	11,706	133,023	2.8
Pulp, Paper and Paperboard*	53,442	52,111	4,411	4,480	4,672	52,515	0.4
Inventories (End of Period) - Total Industry*	13,387	13,487	13,483	13,538	13,582	13,582	-1.0
Pulp, Paper and Paperboard*	5,535	5,783	5,707	5,664	5,628	5,628	-2.8
Paper & Allied Products Companies (Million $)			IIIQ '93	IVQ '93	IQ '94		
Sales (Corporations Only)	127,562	131,232	33,148	33,029	32,896	131,584	3.2
Earnings (Corporations Only)	1,213	(201)	(1,746)	4	701	2,804	-3.4
Depreciation (Corporations Only)	6,974	7,345	1,840	1,837	1,896	7,584	5.3
Net Worth (Corporations Only)	47,520	47,897	45,967	44,689	45,842	45,842	-4.3
Price Indexes (Bureau of Labor Statistics) 1982=100			JUN	JUL	AUG		
Pulp, Paper & Products, ex. Building Grades	129.4	127.6	130.3	132.2	134.2	129.3	1.1
Wood Pulp	118.9	104.3	112.4	114.1	122.0	108.7	2.0
Waste Paper	117.4	117.7	198.1	270.1	273.8	173.3	42.2
Paper	123.2	123.8	121.8	123.6	124.7	122.5	-0.9
Paperboard	134.3	130.0	134.0	137.8	142.7	134.3	3.1
Paper Demand (Indexed: 1987=100)			JUN	JUL	AUG		
Total Paper Production *	110.8	112.9	120.2	114.8	118.6	115.6	1.9
Paper New Supply *	102.5	106.5	111.7	108.1	110.9	108.0	1.0
Demand Indicators - (Weighted Average) *	101.0	105.6	109.4	109.1	109.6	108.4	2.8
Production of Nondurable Goods..RS....*....(21.2%)	106.6	109.7	113.3	113.5	113.8	112.1	3.2
Disposable Income....*....(23.9%)	110.9	112.6	116.2	116.3	116.7	115.7	3.2
Total Printing and Publishing..RS....*....(54.9%)	99.1	101.4	105.0	104.3	105.0	103.8	2.4
Paperboard Demand (Indexed: 1987=100)			JUN	JUL	AUG		
Total Paperboard Production *	111.9	115.2	122.7	120.9	123.4	120.6	5.5
Production for Domestic Use ....E	109.6	113.5	119.7	119.6	122.2	118.1	4.8
Demand Indicators - (Weighted Average) *	106.5	110.4	115.7	116.1	116.9	114.9	4.6
Production of Consumer Goods..RS....*....(62.06%)	105.9	108.8	112.9	113.3	114.1	112.2	3.4
Production of Equipment..RS....*....(6.75%)	111.3	118.6	127.2	128.4	130.1	126.7	8.0
Production of Materials..RS....*....(32.19%)	107.8	112.0	119.1	119.2	119.9	118.1	6.2
Market Data			JUN	JUL	AUG		
Newsprint Demand (SAAR) - Tons (000)...R....E	12,620	12,742	12,710	13,051	13,404	12,705	-1.5
Newspaper Pub. and Printing Empl. Total(000)	451	451	454	453	454	451	0.2
Magazine Advertising Pages (PIB, Inc.)	170,303	171,262	14,908	11,077	11,866	164,807	3.6
Wholesalers Sales and Inventories (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	54,172	58,847	5,409	5,098	5,951	62,803	9.3
Inventories (End of Period)	5,569	6,181	6,414	6,704	6,642	6,642	14.4
Fibre Box Data (Fibre Box Association)			JUN	JUL	AUG		
Fibre Box Shipments (Million square feet)	335,696	353,756	31,565	31,311	33,452	370,809	5.6
Container'bd Inventory at Mill & Plant (000 Tons)	2,918	2,501	2,337	2,350	2,271	2,271	-16.3
Retail Trade (Billion $)							
Total Retail Sales *	1,959	2,080	185	185	187	2,204	7.4
Nondurable Goods Stores Sales *	1,252	1,296	112	113	113	1,339	4.0
General Economic Data			JUN	JUL	AUG		
Total Industrial Production (Index 1987 = 100)*	106.5	111.0	117.3	117.7	118.5	118.5	5.8
Producer Prices (All Commodities, Index: 1982=100)	117.2	118.9	120.4	120.8	121.2	120.0	0.9
Consumer Prices (All Items-Urban Con.) (1982-4=100)	140.3	141.9	148.0	148.4	149.0	147.8	5.3
Gross Domestic Product - Annual Rate (Billion$) *			IVQ '93	IQ '94	IIQ '94		
G.D.P. or Expenditure - Current $	6,020.2	6,343.3	6,478.1	6,574.7	6,686.5	6,630.1	4.5
G.D.P. or Expenditure - 1987 $	4,979.3	5,134.5	5,218.0	5,261.1	5,310.2	5,285.7	2.9
Paper & Paperboard Consumption - Pounds per Capita	677	694				703	

N.M. = Not Meaningful. R = Revised RS = Revised Series E = Current month est. by AFPA. Y = Full year 1993. * = Seas. Adj. N.A. = Not Available SAAR = Seas. Adj., ann. rate.